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1) FUTENMA ISSUE

PM Hatoyama to tell President Obama Futenma decision deferred at COP15 meeting

YOMIURI (Top play) (Abridged)
December 8, 2009

Prime Minister Yukio Hatoyama told reporters at the Prime Minister's Official Residence (Kantei) on Dec. 7 that he intends to firm up his policy on dealing with the question of the relocation of the U.S. forces' Futenma Air Station in Okinawa by the time of the summit level meeting of the 15th Conference of Parties to the U.N. Framework Convention on Climate Change (COP15) on Dec. 17-18. The dominant view in the government and the ruling parties is that the Prime Minister's policy will not specify the relocation site and

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will postpone a conclusion in consideration of the Social Democratic Party and others who insist on relocation out of Okinawa or out of Japan. It is believed that Hatoyama has judged that in order to settle the confusion over the Futenma issue, it is necessary to decide on the government's official policy before year end and notify the U.S. formally.

Hatoyama also said: "It would be good if I can meet President Obama. Until then, I will explain the government's thinking clearly and seek his understanding," indicating his desire to meet with President Obama, who will also attend the COP15 summit meeting, and convey the Futenma policy to him directly.

However, with regard to whether the relocation site will be specified, Hatoyama refrained from answering the question, saying: "I am not necessarily saying (that I will specify the relocation site)."

Hatoyama met with Chief Cabinet Secretary Hirofumi Hirano, Foreign Minister Katsuya Okada, Defense Minister Toshimi Kitazawa, and Minister of Land, Infrastructure, Transport, and Tourism Seiji Maehara on this issue at the Kantei on Dec. 7. Okada also met with U.S. Ambassador to Japan John Roos at the Ministry of Foreign Affairs on the same day.

Since Kitazawa is making a trip to Guam in the afternoon of Dec. 8, Hatoyama will hold another meeting with the four cabinet members to confirm the policy of deferring a conclusion before Kitazawa's departure.

2) Defense chief to visit Guam this week

SANKEI (Page 5) (Full)
December 8, 2009

Defense Minister Toshimi Kitazawa will visit Guam this week to take a look at the U.S. military bases there. Japan and the United States have reached an intergovernmental agreement on a "roadmap" to realign U.S. forces in Japan. Based on this agreement, the United States will transfer about 8,000 U.S. Marines from Okinawa Prefecture to Guam. These troops will be redeployed to air and naval bases on Guam, and Kitazawa would like to take a look at these bases.

"I want to look at things like geographical features and U.S. military deployments there," Kitazawa said in a press conference yesterday. The Social Democratic Party, one of the ruling Democratic Party of Japan's two coalition partners, has been calling for the government to consider Guam to take over the heliport functions of the U.S. Marine Corps' Futenma Air Station in Ginowan, Okinawa Prefecture. Kitazawa is therefore likely to explore whether it would be possible to move the Okinawa-based Marines to Guam.

3) Interview with Jitsuro Terashima, Prime Minister Hatoyama's foreign policy adviser - Redesigning Japan-U.S. relationship necessary for settling Futenma issue

ASAHI (Page 4) (Full)
December 8, 2009

Keiichi Kaneko

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Jitsuro Terashima, chairman of the Japan Research Institute, gave an interview to the Asahi Shimbun. Terashima is a long-time friend of Prime Minister Yukio Hatoyama and is also known as his foreign policy adviser.

-- Prime Minister Hatoyama is flip-flopping on the issue of relocating Futenma Air Station (in Ginowan, Okinawa).

Terashima: In mid-November, Prime Minister Hatoyama reached a general agreement with President Obama to discuss the Japan-U.S. security arrangements from a broad perspective in the future. Japan and the United States will discuss a strategic dialogue for one year. It is vital to confirm that the two countries will put the future bilateral alliance and the Status of Forces Agreement on the table (for discussion). It is essential to reach a conclusion to the Futenma issue as soon as possible premised on the determination of its framework and the timetable. This issue will not end even if Futenma Air Station is moved to the Henoko district in Nago or outside the prefecture.

-- What does that mean?

Terashima: Even if the air station is moved to the site promised by the previous administration, it is clear the matter must be resolved in the process of reviewing the modalities of U.S. bases in Japan over the next 10, 20, 30 years.

The Prime Minister must say, "What we must push ahead now is a redesign of the overall Japan-U.S. relationship." There will be no settlement to the Futenma issue unless a clear goal is presented.

Bases must be reduced after conducting thorough discussions on the purpose and the modalities of each base, as was done by Germany. Even if the U.S. military withdraws its forward-deployed troops to the Hawaii-Guam line, there is the approach of Japan and the United States jointly maintaining an emergency dispatch force, with Japan shouldering the cost.

-- Do you understand the Prime Minister's feelings?

Terashima: Being a member of an administration that must deal with postwar Japan, he is aware of the problems that must be resolved. There are people who don't question the presence of foreign forces in Japan. But they must possess strong critical minds.

-- It is a problem that the Prime Minister cannot explain things.

Terashima: It is true that his ability to offer a convincing explanation of the Japan-U.S. alliance is being questioned by people in various positions. He must also convince the Social Democratic Party from the long-term perspective. If he does not and abruptly announces acceptance of relocation to Henoko, people will be flabbergasted.

4) Foreign Ministry to hold discussion with U.S. before disclosing results of secret nuclear accord examination

Appearing on an NHK program yesterday, Foreign Minister Katsuya Okada referred to the results of an examination on a secret nuclear

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agreement between Japan and the United States, which the Foreign Ministry plans to announce as early as January next year. He said, "It is not good to shock the U.S. by suddenly announcing the results," indicating that he will coordinate views with the U.S. side before disclosing the results of the examination, which has been conducted by a committee of experts (which is an advisory panel Okada has set up in the ministry).

5) Former MOF official testifies on involvement in secret agreement on Okinawa's reversion to Japanese administration

ASAHI (Page 1) (Abridged)
December 8, 2009

Shunichi Kawabata, Norio Yatsu

In connection with Japan's alleged payment in secret of the cost of restoring U.S. military base land to its original state that the U.S. was obliged to pay for at the time of Okinawa's reversion to Japanese administration, Hajime Morita, 75, who was involved in this matter at the Ministry of Finance (MOF) at that time, gave an interview to Asahi Shimbun in which he said that he was notified by the Ministry of Foreign Affairs (MOFA) and approved of the payment. He said he was also involved in calculating the amount.

Although a previous testimony by Bunroku Yoshino, 91, former director general of MOFA's North American Affairs Bureau, had revealed the "secret agreement" on the payment of restoration cost and the amount paid, the coordination process within the Japanese government over the calculation of the amount had not been disclosed. Morita's testimony not only supports Yoshino's testimony from the MOF side, but also clarifies the details of the process.

Morita became a House of Representatives member subsequently and served as transport minister. In 1970-71, before Okinawa's reversion, he was assistant to the chief of the MOF's Legal Division. He consulted with senior officials of MOFA's Treaties Bureau seven or eight times to study the legality of Japan's payment of the restoration cost. The Legal Division was responsible for checking if budget allocations complied with legal provisions.

6) COP15: Japan unable to formulate strategy

NIKKEI (Page 3) (Excerpts)
December 8, 2009

Japan is aiming to reach a political agreement on the formulation of a new protocol (at the 15th session of the Conference of the Parties to the Climate Change (COP15)). It will take the position of opposing a proposal to extend the current Kyoto Protocol. The government plans to adopt a strategy for the COP15 talks at a ministerial committee meeting to be held on Dec. 11 to discuss the global warming issue. However, it has yet to set a policy course for reaching a consensus at COP15.

Japan's goal of cutting domestic greenhouse gas emissions by 25 percent is premised on industrialized countries agreeing on an ambitious target.

However, since discord between industrialized countries and emerging and developing countries remains deep-rooted, it will be difficult to reach a consensus on the direction of formulating a new protocol.

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For this reason, some in the administration are beginning to take

the view that a proposal for formulating a protocol as well as a separate framework might be acceptable as a second-best option, provided that the U.S. and China set their reduction targets high. In that case, it is unclear whether Japan will stick to the goal of achieving a 25 percent reduction.

Industrial circles are worried about this indecisiveness of the government. Sources related to the steel and power industries are concerned that Japan might fail to learn the lessons of the Kyoto Protocol (in which a heavier burden was imposed on Japan in comparison with other countries) or that Japan's industrial competitiveness will decline, undermining national interests.

7) Ozawa places priority on coalition unity in dealing with Futenma issue

ASAHI (Page 4) (Full)
December 8, 2009

Ichiro Ozawa, secretary general of the ruling Democratic Party of Japan, has indicated that it is important for the DPJ and its two coalition partners, the People's New Party and the Social Democratic Party, to pull together in dealing with the pending issue of relocating the U.S. military's Futenma airfield in Okinawa Prefecture. The SDP has been calling for the Futenma airfield to be moved out of Okinawa Prefecture or Japan. "I was one of the members that formed the new administration and I'm in charge of party affairs, so I think we will have to work together as partners to make the government better," Ozawa said in a press conference yesterday.

8) SDP, PNP shaking the administration; Prime Minister fails to display leadership regarding Futenma and additional stimulus issues

NIKKEI (Page 3) (Excerpts)
December 8, 2009

In the process of deciding additional pump-priming measures, the instability of the ruling coalition administration, which is at the mercy of (the Democratic Party of Japan's) junior partners which hold the deciding vote, has now become clear. Pressed hard by the People's New Party (PNP) which is calling for a greater supplementary budget, the DPJ has been forced to increase the issuance of government bonds, making a major compromise. On the question of relocating the U.S. Marine Corps' Futenma Station as well, the government has postponed its conclusion in deference to the Social Democratic Party (SDP), which has been persistently insisting on moving the air station outside Okinawa or even out of Japan. Prime Minister Yukio Hatoyama's leadership is being questioned.

On Dec. 4, Chief Cabinet Secretary Hirofumi Hirano called on PNP head Shizuka Kamei at his office in Tokyo's Yotsuya district and promised that the government will make efforts to increase the size of the supplementary budget. Hirano later ordered Cabinet Office Senior Vice-Minister Motohisa Furukawa to work things out while respecting the three-party framework.

In the process of mapping out economic stimulus measures, there have been no signs that the Prime Minister demonstrated his leadership.

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In the recent Japan-U.S. working group meeting on the Futenma relocation issue, the government also informed the U.S. side of its decision to postpone a conclusion to next year partly in consideration of the SDP. The Hatoyama administration is likely to continue facing the risk of problems associated with the coalition government.

9) Sengoku eyes abolishment of administrative vice ministerial post in reform of public servant system

MAINICHI (Page 2) (Abridged)
December 8, 2009

State Minister for Government Revitalization Unit Yoshito Sengoku (for reforming the Public Servant System) indicated yesterday that he would consider abolishing the administrative vice ministerial post in each government agency in the reform of the public servant system. He said in responding to questions by reporters at the Cabinet Office: "(No private firm) has the post of chief administrative official in addition to the presidency and the post of top manager for personnel affairs."

Sengoku said that he aimed to create a system to enable the cabinet ministers, senior vice ministers and parliamentary secretaries to make instructions direct to career bureau director general-level officials. He added: "We have decided to submit at an early date related bills necessary for such reform plans to the next ordinary Diet session (next year)."

10) DPJ's Ozawa: What Pope said is true

SANKEI (Page 5) (Full)
December 8, 2009

Isamu Koshiishi, chairman of the National Christian Council Japan (NCC), called on Democratic Party of Japan (DPJ) Secretary General Ichiro Ozawa yesterday at party headquarters and presented a letter of complaint that said, "We cannot overlook Mr. Ozawa's remarks in November that Christianity is an exclusive and self-righteous religion. We want him to know that Christianity is a religion of love." Referring to his past comment, Ozawa, at a press conference after that, said, "I have heard that the (Catholic) Pope said that Western civilization reached an impasse because Western countries pursued simple rationalism, a machine civilization, and a material civilization without correctly understanding the true meaning of Christianity. I agree with what he said."

11) World Bank governor, Finance Minister agree to work together in assisting Asia

ASAHI (Page 4) (Full)
December 8, 2009

World Bank Governor Robert Zoellick on Dec. 7 met with Finance Minister Hirohisa Fujii at the Finance Ministry. They agreed to deepen cooperation for economic assistance to Asian nations. Zoellick, who arrived in Japan on the 6th, also met with Prime Minister Yukio Hatoyama and Foreign Minister Katsuya Okada and discussed the Hatoyama administration's measures to assist developing countries.

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12) Prime Minister Hatoyama: Strengthening Japan-U.S. alliance is basis

NIKKEI (Page 2) (Full)
December 8, 2009

Prime Minister Yukio Hatoyama met yesterday with members of the Japan-U.S.-India strategic dialogue, which is composed of experts from the three countries, at the Prime Minister's Official Residence (Kantei). Former U.S. Deputy Secretary of State Richard Armitage handed to Hatoyama a set of suggestions, which stipulates their concern about Japan's rapidly increasing fiscal deficit, as well as the significance of antiterrorism measures in Afghanistan and Pakistan. Hatoyama told them, "I will make an effort to stabilize politics, the economy and security in Asia, while promoting my East Asian Community initiative based on the policy of strengthening the Japan-U.S. alliance."

13) DPJ delegation to China to leave for Beijing on Dec. 10

MAINICHI (Page 5) (Full)
December 8, 2009

The Democratic Party of Japan (DPJ) announced yesterday that a delegation to China led by Secretary General Ichiro Ozawa will visit Beijing for four days from Dec. 10. The delegation will be composed

of 143 DPJ lawmakers and about 630 people supporting the DPJ. Coordination is now underway for Ozawa to meet with Chinese President Hu Jintao on Dec. 10. Ozawa will then visit Seoul on the 11th to attend a dinner party hosted by South Korea President Lee Myung Bak on the evening of Dec. 12. He will return to Tokyo on the 13th.

14) Final coordination continuing on 7.2 trillion yen for economic stimulus package

NIKKEI (Top play) (Lead paragraph)
December 8, 2009

The government and the ruling coalition continued final coordination yesterday to complete an emergency economic package to be incorporated in the second supplementary budget for fiscal 2009. The government presented a plan to scale up actual fiscal spending in the economic package by 100 billion yen to 7.2 trillion yen. The People's New Party (PNP), which is calling for at least 8 trillion yen in spending, put a decision on hold yesterday. PNP President Shizuka Kamei plans to attend a meeting of the Ministerial Conference on Basic Policies this morning. The government hopes to adopt the package in a cabinet meeting today.

15) Taiwanese President eager to conclude FTAs with Japan, U.S., Europe, and Asia

NIKKEI (Page 8) (Excerpts)
December 8, 2009

Taiwanese President Ma Ying-jeou gave an interview on Dec. 7 to several Japanese media organizations. The president during the interview indicated his intention to aim at signing free trade agreements with Japan, the U.S., and European and Asian countries after concluding an economic cooperation framework agreement (ECFA), which is equivalent to the FTA, with China.

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At the outset of the interview, Ma underscored his eagerness to strengthen ties with Japan. He countered reports made by some Japanese media organizations last May when he took office that he was anti-Japanese, noting, "Relations between Taiwan and Japan have moved forward since I took office." He thus indicated his stance of aiming at strengthening ties with Japan and the U.S. as well, instead of focusing exclusively on China.

The Democratic Progressive Party in the opposition camp has criticized the envisaged ECFA as lacking transparency. This criticism was one factor contributing to the ruling Nationalist Party or Kuomintang losing seats in local elections on Dec. 5.

In response to the criticism, Ma pointed out the importance of trade with China, including the fact that Taiwan's exports to China (including Hong Kong) account for 40 percent of the total amount of its exports. While noting that FTAs with China or with members of the Association of Southeast Asian Nations (ASEAN) would put Taiwan at a disadvantage, Ma reaffirmed his intention to work toward signing an ECFA with China, saying, "Improving economic relations with China is unavoidable."

Concerning the key issue of purchasing weapons from the U.S., Ma revealed the outlook that the U.S. government would reach a new decision to sell weapons to Taiwan. However, regarding purchases of modified F16 fighter jets, he said that he could not say anything definite at the present stage.

16) Japan-U.S. aviation talks start

ASAHI (Page 4) (Excerpts)
December 8, 2009

The governments of Japan and the U.S. started bilateral aviation talks in Washington on Dec. 7 to discuss such issues as further opening trans-pacific air service, aiming to agree on concluding a pact. The issue of distributing increased departure and arrival

slots at Haneda and Narita airports will also be discussed.

The 5th round of talks, which started in October of last year, will continue until Dec. 10. The talks have been joined by Land, Infrastructure, Transport & Tourism Ministry Deputy Vice Minister Keiji Takiguchi and others from the Japanese side and Deputy Assistant Secretary of State John Byerly and others from the U.S. side.

The governments of the two countries have decided flight routes and other details, based on the International Civil Aviation Convention. However, a pact, if concluded, will make it possible for Japanese and U.S. airlines to decide such details without any restrictions in principle. In this case, it will become possible for Delta Air Lines, United Air Lines, and FedEx Corp of the U.S., and Japan Airlines, All Nippon airways, and Nippon Cargo Airlines of Japan to operate without any restrictions. This means that all Japanese and U.S. airlines will be subjected to the liberalization of operations between the two countries.

As a result, the Japanese and U.S. authorities are likely to place joint operations by the airlines companies outside the reach of their respective antitrust acts. If a pact is concluded, since companies of Japan and the U.S. will be allowed to coordinate such

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details as prices and arrival and departure times, they will be able to become more competitive and provide convenient services for travelers. Such moves have prompted European and U.S. airline companies to lower their fares.

Departures and arrivals slots will be increased at Narita next March and at Haneda next October. How to allocate these increased slots is also expected to be discussed in the talks.

17) Poll: 45 PERCENT in Japan, 50 PERCENT in China see Japan-China ties as "good"

YOMIURI (Page 2) (Abridged)
December 8, 2009

The Yomiuri Shimbun and Liaowang Dongfang Zhoukan (Oriental Outlook Weekly), a weekly magazine published by China's New China News Agency, conducted a joint public opinion survey of the Japanese and Chinese public, in which respondents were asked about the current status of bilateral relations between Japan and China. In Japan, 45 PERCENT answered that Japan-China relations are in "good" shape, while 47 PERCENT said they are "bad." In China, "good" accounted for 50 PERCENT, with "bad" at 43 PERCENT. As seen from these figures, the Japanese public's view of bilateral ties was severer than the Chinese public's. In Japan, however, "good" increased 9 percentage points from 36 PERCENT last year, reaching the highest ever since 2006 when the two countries' relations were going from bad to worse with the Koizumi cabinet in office. The increase can be taken as reflecting the fact that there were no issues for the two countries to clash over.

In Japan, respondents were also asked if they thought China is trustworthy. To this question, "yes" accounted for 28 PERCENT (19 PERCENT last year), with "no" at 69 PERCENT (78 PERCENT last year). The figures show that the Japanese public's view of China has changed for the better. In China, respondents were also asked if they thought Japan is trustworthy. In response, 34 PERCENT answered "yes," with 63 PERCENT saying "no."

In the survey, respondents were also asked about economic relations. "When comparing China and the United States, which country do you think will be more important to Japan?" To this question, 46 PERCENT in Japan picked China, while 28 PERCENT chose the United States. In China, respondents were likewise asked to choose between Japan and the United States. In response, 52 PERCENT picked the United States, with 6 PERCENT choosing Japan.

ROOS